



To: Members of Edina Housing and Redevelopment Authority **Agenda Item #:** HRA V.

From: Bill Neuendorf
Economic Development Manager

Action
Discussion
Information

Date: February 18, 2014

Subject: Authorization to Fund Capital Improvements at 50th and France Parking Ramps

Action Requested:

Authorize use of existing TIF funds to pay for \$2,375,000 of proposed capital improvements to the City/HRA-owned parking ramps and related wayfinding at 50th and France.

Information / Background:

Kimley-Horn Associates prepared a Feasibility Study for Improvements No. P-23 to the public parking ramps at 50th and France. The total proposed budget is \$5,685,000. See attached Executive Summary for a description of the project. Repair and maintenance items are estimated to cost \$3,310,000 while the estimate for capital improvements is \$2,375,000.

Since the late 1960's, the City has worked together with private business owners to build, operate and maintain shared public parking to support nearly 500,000 square feet of commercial space at 50th and France. Original construction of the South, Middle and North Ramps was funded by the Edina Housing and Redevelopment Authority (HRA). Tax increment financing was typically used for construction costs. Like the current proposal, operating and maintenance costs were historically funded by the business owners who benefit from the ramps.

At this time, \$2,375,000 is requested from the Centennial Lakes TIF Fund to make vital capital improvements to the three public parking ramps at 50th and France. This amount will fund the highest priority capital improvements which include:

- brighter lighting in all ramps,
- pedestrian access improvements,
- new elevator in South Ramp,
- dynamic wayfinding system and
- new irrigation system.

Additional capital improvements, including an additional elevator and exterior screening, have also been discussed. These have been deemed lower priority by the Project Management and Project Advisory Teams and not considered feasible at this time. Additional capital improvements such as these could be reconsidered in the future based on availability of funds.

At this time, the Centennial Lakes TIF Fund has a balance of approximately \$6.0 million that is not yet committed. This amount is expected to increase to approximately \$9.2 million after final incremental taxes are collected in December 2014.

There are numerous potential demands on these TIF funds in addition to the \$2,375,000 currently requested. The City's Capital Improvement Plan identifies several infrastructure projects that are anticipated to use TIF funds for completion. Over the past year, the City Council has also expressed interest in directing funds to spark reinvestment in the 50/France, Grandview and Wooddale/Valleyview Districts.

The attached table identifies the potential demands on the Centennial Lakes TIF Fund that have been identified in the past year. It should be noted that there are inadequate funds to allow all identified projects to be realized in 2014 and 2015. Strategic choices will need to be made so that the available funds can be used efficiently and effectively.

From 2015-2023, the balance of the TIF Fund is anticipated to be replenished after the Southdale Center repays its \$5 million loan. This phased repayment could be used to fund public improvements that are identified through the process of updating the City's Capital Improvement Plan.

Attachments:

Executive Summary of Improvement P-23 (3-pages)
Anticipated Demands on Centennial Lakes TIF Funds (1-page)

**CITY OF EDINA
50th & FRANCE DISTRICT
PARKING AND WAYFINDING IMPROVEMENTS
EDINA IMPROVEMENT NO. P-23**

EXECUTIVE SUMMARY

This Feasibility Study and Report has been prepared for the 50th & France Parking and Wayfinding Improvements. The proposed project includes repair, rehabilitation and future expansion of parking, a new parking wayfinding system, and repair and rehabilitation of the landscape and streetscape elements.

The proposed scope of the improvements is generally as follows:

- Add 140 to 200 new parking stalls through a public / private partnership on the 3930 West 49 ½ Street property (formerly the Edina Realty building) and / or other sites in the 50th & France District. This goal will be pursued as a separate project.
- Perform essential parking ramp repairs and preventative maintenance to the parking ramps.
- Paint the interior of all parking ramps and the exterior of the South Ramp.
- Replace deteriorated pavers with more salt tolerant pavers and improve drainage system below pavers.
- Replace dying street trees and repair planter beds.
- Screen all garbage areas with enclosure walls (two at Middle Ramp and one at South Ramp) and implement recycling centers.
- New elevator and stair core in northeast corner of the South Ramp.
- Increase brightness of parking ramp lighting by replacing existing fixtures with motion sensing LED fixtures.
- Install a dynamic public parking wayfinding system.
- Install an automatic underground irrigation system to serve two planter areas on south side of Middle Ramp.
- Create easily identified pedestrian zones to and through parking ramps using floor paint, curbs and bollards.
- Enhanced operations and maintenance of the parking ramps including power washing all ramps once per year, improved sanitation and quarterly cleaning of all glass.
- Add hospitality signs at the entrance and exit of parking ramps.
- Designate approximately 230 additional employee parking stalls and monitor employee parking demand.
- Work with Metro Transit to add bus route and schedule signs, benches and bus shelters, and possibly real-time bus arrival information.

The estimated costs for the proposed improvements are summarized below. These costs include a 20 percent construction cost contingency and a 30 percent allowance for indirect costs such as engineering, administrative, and legal items as well as capitalized interest. Items in italics would be assessed under Chapter 429.

<u>Proposed Capital Improvements</u>	<u>Estimated Cost</u>
D.1 Increase Brightness of Lighting	\$ 650,000
E.1 Parking Ramp Pedestrian Access	\$ 100,000
E.3 New Elevator and Stair in South Ramp	\$ 1,100,000
F.3 Dynamic Public Parking Wayfinding System	\$ 350,000
G.1 <i>Paint All Ramp Interior and South Ramp Exterior Surfaces</i>	\$ 1,375,000
G.6 <i>Screen All Garbage Areas</i>	\$ 60,000
H.1 <i>Replace Dead / Dying Trees</i>	\$ 25,000
H.2 <i>Replace Broken Pavers</i>	\$ 500,000
H.13 Automatic Irrigation System	\$ 175,000
H.14 <i>Repair Planter Beds</i>	\$ 50,000
I.1 <i>Essential Ramp Repairs</i>	\$ 650,000
I.2 <i>Preventative Ramp Maintenance</i>	<u>\$ 650,000</u>
Total Capital Cost	\$ 5,685,000

<u>Proposed Additional Annual Maintenance Improvements</u>	<u>Estimated Cost</u>
B.3 <i>Holiday Season Parking Strategies</i>	\$ 35,000
E.3 <i>New Elevator and Stair in South Ramp Maintenance</i>	\$ 10,000
F.3 <i>Dynamic Public Parking Wayfinding System Maintenance</i>	\$ 10,000
G.3 <i>Power Washing on Annual Basis</i>	\$ 30,000
G.4 <i>Improve Sanitation</i>	\$ 10,000
H.13 <i>Automatic Irrigation System Maintenance</i>	\$ 5,000
I.2 Escrow for Future Periodic Preventative Maintenance	<u>\$ 100,000</u>
Total Additional Annual Maintenance Cost	\$ 200,000

The improvements are proposed to be financed through a combination of assessments, parking permit revenues, and other city funds. The following is a summary of the estimated funding amounts from each of the proposed financing sources:

<u>Capital Cost Financing Source</u>	<u>Amount</u>
Assessments	\$ 3,310,000
Other City Funds	<u>\$ 2,375,000</u>
Total	\$ 5,685,000

<u>Additional Annual Maintenance Cost Financing Source</u>	<u>Amount</u>
Assessments	\$ 100,000
Parking Permit Revenues	<u>\$ 100,000</u>
Total	\$ 200,000

Annual operations and maintenance costs have been in the range of \$250,000 per year for the past few years. The Additional Annual Maintenance Cost of \$200,000 is in addition to the historic average cost.

Rebates for installing energy efficient light may be available from Xcel Energy to offset a portion of the cost of the lights. The amount of rebates offered by Xcel varies from time to time and would be determined at the time of design and construction.

The following is a proposed schedule for the implementation of the improvements.

City Council Receive Feasibility Report, Call for Public Hearing, and Authorize Preparation of Final Plans and Specifications	January 21, 2014
Public Hearing, City Council Orders Project , Approves Plans and Specifications and Authorizes Ad for Bids	February 18, 2014
Bid Opening	May 22, 2014
Assessment Hearing / Award Contract	June 3, 2014
<i>Edina Art Fair</i>	<i>June 6-8, 2014</i>
Start 2014 Construction	June 16, 2014
Interim Construction Completion	October 2014
<i>2014 Holiday Shopping Season</i>	<i>Nov-Dec, 2014</i>
Start 2015 Construction	March 2015
<i>Edina Art Fair</i>	<i>June 2015</i>
Construction Complete	October 2015

The focus of construction in 2014 would be the dynamic wayfinding system, lighting upgrade, pedestrian access improvements, streetscape improvements, parking structure repairs and preventative maintenance. In order to mitigate impacts to businesses during construction, construction of the new stair and elevator core for the South Ramp and interior and exterior ramp painting is assumed to occur in 2015. The resulting project construction schedule will be longer than if all work is completed concurrently.

Based upon the analysis completed as a part of this report, the proposed 50th & France Parking and Wayfinding Improvements are feasible, necessary, and cost effective and would benefit the properties and businesses in the project area and the City of Edina.

Anticipated Demands on Centennial Lakes TIF Funds (2013-2023)

Year-end balance December 31, 2012 = \$11,607,171

	DESCRIPTION	STATUS	APPROX. COST	FUND BALANCE	
1	Centennial Lakes	Debt service and Redevelopment Agreement, Jan 2013	Completed	-\$1,155,369	\$10,451,802
2		Redevelopment Agreement, Jan 2014	Committed	-\$545,457	\$9,906,345
3	Greater Southdale	France Ave - design & urban planning, Oct 2013	Completed	-\$265,000	\$9,641,345
4		France Ave (CIP 13-003)- construction; phase 1 (estimate), June 2014	Committed	-\$2,000,000	\$7,641,345
		France Ave - reimbursement for R-O-W construction by Byerlys (estimate)	Committed	-\$400,000	\$7,241,345
5		France Ave - construction contingency (20%)	Committed	-\$600,000	\$6,641,345
6		France Ave - construction site engineering, 2014	Committed	-\$285,000	\$6,356,345
7		Promenade Phase IV - feasibility study, May 2013	Completed	-\$33,000	\$6,323,345
8		Promenade, Phase IV - engineering design (estimate), Oct 2013	Committed	-\$80,000	\$6,243,345
9		Promenade - Phase IV (CIP #11-002) - construction, June 2014	Committed	-\$600,000	\$5,643,345
10		Promenade - Phase V concept planning (estimated)	Completed	-\$20,000	\$5,623,345
11		Hazelton Rd & Promenade - construction contingency (20%), June 2014	Committed	-\$340,000	\$5,283,345
12		Hazelton Rd / BA417 - feasibility study, Mar 2013	Completed	-\$23,000	\$5,260,345
13		Hazelton Rd / BA417 - engineering design, June 2013	Committed	-\$115,000	\$5,145,345
14		Pentagon Park	Redevelopment planning (estimated)	Completed	-\$80,000
15	50th & France	purchase of Edina Realty building, Jan to June 2013	Completed	-\$2,750,000	\$2,315,345
16		potential land purchase (estimated)	Completed	-\$70,000	\$2,245,345
17	Administrative	General administration costs 2013-2014 (estimate)	Completed	-\$20,000	\$2,225,345
18		Incremental Taxes collected July & Dec 2013	Completed	\$3,777,261	\$6,002,606
19		Incremental Taxes collected July & Dec 2014	Estimated	\$3,259,163	\$9,261,769 ★
20	Grandview	Land Acquisition - bus garage (estimate)	Anticipated	-\$2,000,000	\$7,261,769
21		Site clearance & remediation - bus garage (estimate)	Anticipated	-\$500,000	\$6,761,769
22		Infrastructure / transportation study, 2014	Anticipated	-\$400,000	\$6,361,769
23		Redevelopment Planning, PW site, 2014	Anticipated	-\$100,000	\$6,261,769
24	Wooddale / Valleyview	Redevelopment Study 2014 (estimated)	Anticipated	-\$200,000	\$6,061,769
25	Greater Southdale	Hazelton Rd / BA417- construction (estimate), June 2014	Anticipated	-\$929,000	\$5,132,769
26		France Ave - (CIP-13-003) construction; phase 2 landscape & streetscape (estimate), Oct 2014	Anticipated	-\$1,000,000	\$4,132,769
27		CIP #HRA-11-003 - France Ave. at Hwy. 62 intersection improvements	Anticipated	-\$600,000	\$3,532,769
28		CIP #HRA-13-001 - Greater Southdale Transportation Study	Anticipated	-\$200,000	\$3,332,769
29		CIP #HRA-13-002 - Pedestrian Bridge over TH62	Anticipated	-\$3,000,000	\$332,769
30	50th & France	50th & France - capital improvements to existing ramps	Under Review	-\$2,375,000	-\$2,042,231
31		Other projects determined in 2014 CIP review process	TBD	\$0	-\$2,042,231
32		Repayment of Southdale Center TIF loan (2015-2023)	Anticipated	\$5,000,000	\$2,957,769 ★

NOTE Approximate costs are unaudited and estimates.